

City of Hedwig Village Fiscal Year 2016-2017 Budget Cover Page September 30, 2016

This budget will raise more revenue from property taxes than last year's budget by an amount of \$279,688, which is a 14.44 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$28,770.

The members of the governing body voted on the budget as follows:

FOR: Council Member Carrol McGinnis Council Member William Johnson

Council Member Barry Putterman

AGAINST: Council Member Robert Wiener Council Member Matt Woodruff

PRESENT and not voting: Mayor Brian T. Muecke

ABSENT:

Property Tax Rate Comparison

	2016-2017	2015-2016
Property Tax Rate:	\$0.222500/100	\$0.210311/100
Effective Tax Rate:	\$0.196524/100	\$0.176001/100
Effective Maintenance & Operations Tax Rate:	\$0.132088/100	\$0.130784/100
Rollback Tax Rate:	\$0.182201/100	\$0.210311/100
Debt Rate:	\$0.039546/100	\$0.069065/100

Total debt obligation for City of Hedwig Village secured by property taxes: \$394,088



HEDWIG VILLAGE





CITY ADMINISTRATOR/CITY SECRETARY/TREASURER KELLY JOHNSON



Brian Muecke, Mayor

Barry Putterman, Councilmember Position 1

Carrol McGinnis, Councilmember Position 2

Robert Weiner, Councilmember Position 3

Matt Woodruff, Councilmember Position 4

William Johnson, Councilmember Position 5

CITY OF HEDWIG VILLAGE ANNUAL BUDGET FISCAL YEAR 2017

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October 3, 2016

To The Honorable Mayor, City Council and Residents of Hedwig Village:

I'm pleased to present the 2017 Annual Budget for the City of Hedwig Village, Texas. The budget has been prepared in accordance with Texas Statute and as a result of our budget discussions and public comments over the past year. We have worked diligently to balance the needs of our community, prepare for the future, and maintain operating costs as low as possible.

The City of Hedwig Village, a Type A General Law City, was incorporated in 1954. The City is located in Harris County and is bound on the east by the City of Hunter's Creek Village, the south by the City of Piney Point Village and the City of Bunker Hill Village, the north by the City of Houston and the City of Spring Valley Village. The City of Hedwig Village consists of approximately 572 single family homes, 244 condominium units, two apartment complexes, two public schools, two churches, and many restaurants and retail stores. The City of Hedwig Village currently has 6 full-time city hall employees and 23 full-time police department employees.

Budget Preparation Process:

The City Staff recognizes that the annual budget process is the single most important financial responsibility of a local government. The Texas Tax Code requires cities that levy a property tax to approve their budgets by September 30th or by the 60th day after the taxing unit receives the certified roll, whichever date is later regardless of the date their fiscal year starts.

The first budget workshop was held with the Mayor and City Council on August 3, 2016. In the workshop they reviewed maintenance and operations and looked at the City's infrastructure needs including streets and drainage. The City of Hedwig Village has one of the lowest tax rates in Harris County. Mayor and City Council discussed ways to fund the City's infrastructure needs with revenues remaining flat and operating expenditures increasing minimally. A tax increase was inevitable.

On September 8, 2016, City Council again met and reviewed the 2017 Proposed Budget. City Council voted to proceed with a proposed tax rate of \$0.252500 to support the budget as presented which added additional funds to start addressing infrastructure needs.

The City held public hearings on September 20, 2016, September 22, 2016, and on September 26, 2016 to receive input from the public, either oral or written, regarding the proposed 2016 Property Tax Rate to support the 2017 Proposed Budget at a tax rate of \$0.252500 per \$100 valuation. A public hearing on the entire budget was held on September 26, 2016. Notices were placed in the paper and on the City's website.

On September 30, 2016, Council approved the 2017 Proposed Budget and the 2016 Tax Rate of \$0.222500 per \$100 valuation. This was a decrease of \$.03 from what was proposed. The funds available for infrastructure dropped from \$692,530 to \$396,990.

Goals and Objectives:

- To continue the same level of service to both the residential districts and commercial districts.
- To complete a Comprehensive Drainage Study of the entire City.
- As a result of the Comprehensive Drainage Study, look for viable solutions to the City's drainage needs. This may include working with other cities and agencies to partner for a solution.
- · Begin looking at funding options for potential drainage solutions.
- Compliance with federal and state regulations.
- Maintain employee salaries and benefits at a competitive level.

Salaries and Benefits:

Included in the 2017 Budget is a 3.5% pool for salary increases for the City of Hedwig Village employees. The City provides employees with a salary and benefit package which includes health, dental, life, vision, and long-term disability insurance, as well as vacation, sick leave, paid holidays, and a retirement plan through Texas Municipal Retirement System (TMRS).

Employees are encouraged to seek educational seminars and/or classes which relate to their jobs. The City pays for those classes.

General Fund:

The General Fund provides funding for the City's basic services. The primary revenue sources are local sales taxes and City property taxes. The General Fund Budget totals \$5.7 million with police and fire budgets accounting for \$2.9 million or 51% of the General Fund Maintenance and Operations Budget.

The City also utilizes funds from Metro. The 2017 Budget includes \$947,500 of Metro funds which offset some of the police department expenditures and the remaining funds are for maintenance of right-of-ways on major thoroughfares.

Debt Service Fund:

The City's Debt Service Fund provides the funding to make the City's debt payments. As of December 31, 2016, the City will have \$5.1 million in debt. The 2016 Debt Service Tax Rate is \$.039546 per \$100 valuation.

The City carries an AA+ bond rating which is reflective of the local economy, the city's budget flexibility, and cash liquidity. The City worked hard to receive such a good rating and continues those same standards going forward in the 2017 Adopted Budget.

Conclusion:

City Council and staff must work together to manage the available financial resources and to establish realistic priorities. The City cannot address all of its needs in any one budget year. City Council will have difficult decisions in determining the priorities to be addressed first while maintaining the City's financial base. Working together, we can find solutions that best work for our City.

Sincerely

Kelly Johnson

City Administrator/Secretary-Treasurer

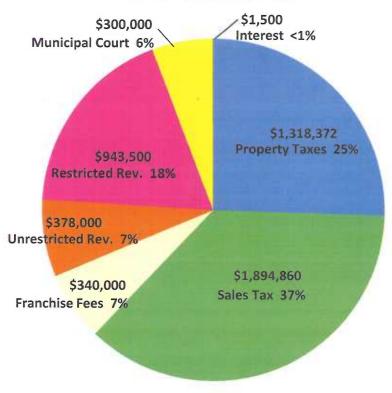


City of Hedwig Village Snapshot of 2017 Adopted Budget

2014	2015	2016	PROJECTED	ADOPTED
ACTUAL	ACTUAL	BUDGET	2016 ACTUAL	2017 BUDGET
5,120,666	4,608,932	5,176,232	5,136,602	5,671,285
				340,640
				1,018,227
				1,872,466
				153,170
				1,083,627
				255,655
				947,500
5,115,699	4,686,943	5,176,232	5,114,777	5,671,285
4,380,418	27,947	770,000	800	0
314,437	2,391,573	770,000	1,770,366	0
0	2,535	3,000	3,000	3,000
0	0	3,000	3,000	3,000
428,515	413,689	650,738	654,238	395,088
429,450	513,165	650,738	650,738	655,088
251,879	937,517	900,200	948,080	948,150
1,103,617	543,858	900,200	900,400	948,150
	309,225 892,187 1,745,243 136,704 632,450 302,367 1,097,524 5,115,699 4,380,418 314,437 0 0 428,515 429,450	ACTUAL ACTUAL 5,120,666 4,608,932 309,225 304,521 892,187 907,224 1,745,243 1,680,433 136,704 134,767 632,450 794,043 302,367 276,620 1,097,524 589,336 5,115,699 4,686,943 4,380,418 27,947 314,437 2,391,573 0 0 428,515 413,689 429,450 513,165 251,879 937,517	ACTUAL ACTUAL BUDGET 5,120,666 4,608,932 5,176,232 309,225 304,521 311,938 892,187 907,224 988,628 1,745,243 1,680,433 1,796,234 136,704 134,767 147,819 632,450 794,043 764,323 302,367 276,620 267,290 1,097,524 589,336 900,000 5,115,699 4,686,943 5,176,232 4,380,418 27,947 770,000 314,437 2,391,573 770,000 0 2,535 3,000 428,515 413,689 650,738 429,450 513,165 650,738 251,879 937,517 900,200	ACTUAL BUDGET 2016 ACTUAL 5,120,666 4,608,932 5,176,232 5,136,602 309,225 304,521 311,938 333,703 892,187 907,224 988,628 988,628 1,745,243 1,680,433 1,796,234 1,721,336 136,704 134,767 147,819 141,453 632,450 794,043 764,323 778,278 302,367 276,620 267,290 245,593 1,097,524 589,336 900,000 905,786 5,115,699 4,686,943 5,176,232 5,114,777 4,380,418 27,947 770,000 800 314,437 2,391,573 770,000 1,770,366 0 2,535 3,000 3,000 428,515 413,689 650,738 654,238 429,450 513,165 650,738 654,238 251,879 937,517 900,200 948,080

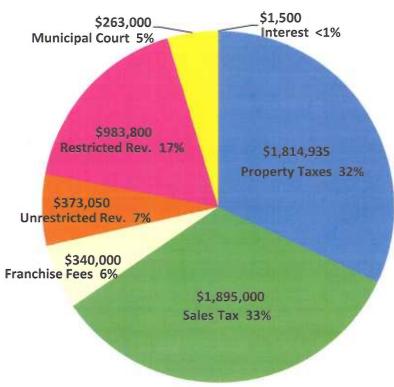
City of Hedwig Village General Fund Revenues

2016 Adopted Budget Total \$5,176,232



2017 Adopted Budget

Total \$5,671,285

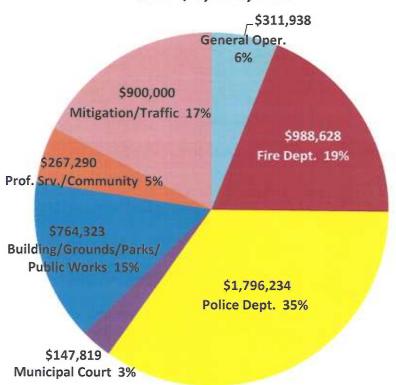


CITY OF HEDWIG VILLAGE 2017 ADOPTED BUDGET

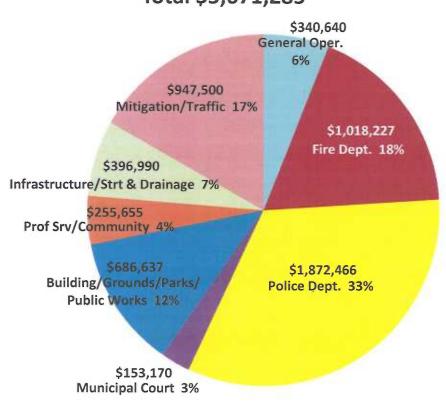
AC	CT #	DESCRIPTION	Actual 12/31/2014	Actual 12/31/2015	2016 Budget	Actual 6/30/2016	Projected 12/31/2016 @06/30/16	ADOPTED 2017 Budget	2017 vs 2016
G	ENER	PAL FUND							
	Reve	enues							
01	4-101	Ad Valorem Property Taxes	1,095,901	1,159,146	1,309,872	1,282,795	1,298,176	1,807,935	38%
01	4-102	Ad Valorem Penalty & Interest	15,459	4,543	8,000	3,978	5,000	5,000	-38%
01	4-103	Ad Valorem Attorney Collection	0	0	500	0	0	0	-100%
01	4-105	Ad Valorem Prior Yr Prop. Tax	0	(3,785)	0	(303)	2,000	2,000	
01	4-201	Sales & Use Tax	1,842,864	1,874,264	1,894,860	963,259	1,894,860	1,895,000	0%
01	4-202	Franchise Tax	335,413	342,614	340,000	162,319	340,000	340,000	0%
01	4-203	Mixed Drink Tax	54,031	56,980	58,000	28,611	57,222	58,000	0%
01	4-204	Child Safety Tax	3,099	3,125	3,000	1,424	3,100	3,100	3%
01	4-301	Permits	299,905	240,397	243,000	101,690	203,380	222,000	-9%
01	4-302	Misc.	6,315	3,446	4,000	2,012	4,000	4,000	0%
01	4-303	Ambulance Reimb.	61,568	52,094	49,000	10,540	50,000	51,050	4%
01	4-304	Sale of Assets	6,050	2,017	4,000	8,595	15,595	8,000	100%
01	4-305	Memorials	396	175	500	0	0	200	-60%
01	4-309	P.D. Srv. Fees						10,000	
01	4-401	Motel Occupancy	33,798	30,955	20,000	8,561	20,000	20,000	0%
01	4-405	METRO Congestion/Traffic	1,103,617	543,858	900,000	450,100	947,430	947,500	5%
01	4-501	Municipal Court	232,553	264,921	300,000	130,455	260,910	263,000	-12%
01	4-502	Special Child Safety Fees	13,634	16,203	20,000	8,168	16,336	16,000	-20%
01	4-503	Special Security Fees	6,816	6,951	10,000	3,346	6,692	7,000	-30%
01	4-504	Special Technology Fees	7,982	9,748	10,000	5,050	10,101	10,000	0%
01	4-601	Interest	1,262	1,279	1,500	1,058	1,800	1,500	0%
		TOTAL G&A REVENUES	5,120,666	4,608,932	5,176,232	3,171,658	5,136,602	5,671,285	10%

City of Hedwig Village General Fund Expenditures

2016 Adopted Budget Total \$5,176,232



2017 Adopted Budget Total \$5,671,285



CITY OF HEDWIG VILLAGE 2017 ADOPTED BUDGET Projected **ADOPTED** 2017 Actual Actual 2016 12/31/2016 Actual 2017 VS ACCT # DESCRIPTION 12/31/2014 12/31/2015 **Budget** 6/30/2016 @06/30/16 **Budget** 2016 GENERAL FUND **Expenditures** 01- General & Admin Personnel 01- 501-101 Salaries 156,265 161,691 160,916 80,907 178,807 8% 174,160 01- 501-102 Overtime 1,685 2,500 2,185 2,500 161 1,500 0% 01- 501-103 Longevity Pay 792 226 304 132 620 402 104% 01- 501-104 Education and Meetings 0 0 900 1,500 1,560 73% 01- 501-105 Payroll Taxes 12,144 12,722 12,594 6,237 13,179 13,690 9% 01- 501-106 Group Health & Life Insurance 17,637 16,691 12,313 11,253 21,391 112% 26,120 01- 501-107 Dental Insurance 229 669 854 220 339 320 -63% 01- 501-108 Workers Compensation 423 408 454 243 485 -5% 430 01- 501-110 Retirement Contribution 9,563 10,671 10,404 5,265 11,083 19,190 84% **Total Personnel** 198,722 205,277 228,686 201,239 104,416 238,590 19% Operations 01- 501-301 General Insurance 35,555 34,351 38,299 16,235 31,868 36,000 -6% 01- 501-302 Dues & Subscriptions 3,025 2,103 2,000 1,453 2,500 25% 2,500 01- 501-303 Education/Meetings & Travel 5,668 10,111 6,000 1,203 8,000 33% 8.000 01- 501-304 Legal Notices 4,626 1,952 3,000 2,500 3,000 0 0% 01- 501-305 Postage 5,566 3,092 5,000 1,484 5,000 0% 5,000 01- 501-306 Office Supplies 2,309 2,603 3,000 887 3,000 0% 3,000 01- 501-307 Printing & Reproductions 681 148 1,500 2,000 1,666 1,100 82% 01- 501-308 Supplies & Equipment/General 5,147 6,394 4,000 3,241 6,643 4,000 0% 01- 501-314 Misc. 0 135 300 7,750 7,750 -100% 01- | 501-337 | Car Allowance 3,000 3,000 3,000 3,000 6,000 6,000 100% 01- 501-340 Bank/Credit Card Charges 13,037 13,992 12,000 6,959 10,256 11,550 -4% **Total Operations** 78,614 79,397 77,699 85,017 81,050 42,360 4% Maintenance

17,209

28,000

15,000

803

16,000

-43%

28,130

01- 501-601 Maintenance - Contracts